



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0160	Title:	Repay land trusts for prior diversions
Primary Sponsor:	Stoker, R.	Status:	As Amended in Senate Committee

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
Expenditures:				
General Fund (01)	\$632,001	(\$798)	(\$784)	(\$770)
Com Sch Guarantee Acct (02)	\$442,891	\$798	\$784	\$770
Revenue:				
Com Sch Guarantee Acct (02)	\$442,891	\$798	\$784	\$770
Other Trusts (02)	\$565	\$519	\$508	\$498
Public Buildings Perm Fund (09)	\$25,848	\$0	\$0	\$0
University Trusts (71)	\$474,624	\$6,516	\$6,378	\$6,251
Com Sch Perm Fund (09)	\$14,847	\$42	\$41	\$41
Morrill Perm Fund	\$115,123	\$0	\$0	\$0
State Reform School Perm Fund (09)	\$8,441	\$0	\$0	\$0
School For Deaf/Blind Perm Fund (09)	\$731	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$632,001)</u>	<u>\$798</u>	<u>\$784</u>	<u>\$770</u>

Description of fiscal impact: HB 160 implements several audit recommendations concerning repayment of administrative costs taken against the Montana State University (MSU) – Morrill Grant and repays other trust beneficiaries that contributed to administrative costs in place of the MSU- Morrill Grant. Fiscal impact for the Department of Natural Resources and Conservation (DNRC) is related to Section 1 (3) and (4), which will reflect an increase in the permanent fund balances for the trust beneficiaries.

FISCAL ANALYSIS

Assumptions:

1. All funding of expenditures will be from the General Fund in FY 2008 based on the effective date of July 1, 2007.

2. The transfer from the general fund to the common school guarantee account is \$442,064. This increase to the guarantee account, decreases general fund expenditures needed to fund school BASE aid by the same amount in FY 2008.
3. Interest will be generated from the increase in revenue for the permanent trust and legacy fund. Interest rates for the trust and legacy fund were estimated by OBPP and applied to FY 2009 through FY 2011.
4. The \$115,123 deposit in the Morrill permanent trust fund will increase the distributable revenue to the University trusts by about \$6,500 per year.
5. Five percent of the interest from the common school is deposited in the permanent fund. The \$14,803 deposit in to the permanent fund increases interest by about \$900 per year. About \$45 of that interest is deposited in the permanent fund, increasing permanent fund balance by \$14,847 (\$10,038 + \$4,765 + \$44) in FY 2008, \$42 in FY 2009, \$41 in FY 2010, and \$41 in FY 2011.
6. Ninety-five percent of interest from the permanent fund is deposited in the guarantee account which is almost \$800 in each year. The guarantee account is the first funding of school district BASE aid. The \$800 increase to the guarantee account each year, decreases general fund expenditures needed to fund school BASE aid by the same amount.
7. Interest will also be earned on the additional revenue to the State Reform School permanent fund and the School for the Deaf and Blind permanent fund.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Transfers	\$1,074,892	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$632,001	(\$798)	(\$784)	(\$770)
Com Sch Guarantee (02)	\$442,891	\$798	\$784	\$770
TOTAL Expenditures:	\$1,074,892	\$0	\$0	\$0
<u>Revenues:</u>				
<u>Distributable Revenues</u>				
Other Trusts (02)	\$565	\$519	\$508	\$498
Public Buildings Trust (02)	\$25,848	\$0	\$0	\$0
University Trusts (71)	\$474,624	\$6,516	\$6,378	\$6,251
Com Sch Guarantee (02)	\$442,891	\$798	\$784	\$770
<u>Nondistributable Revenues</u>				
Com Sch Perm Fund (09)	\$14,847	\$42	\$41	\$41
Morrill Perm Fund (09)	\$115,123	\$0	\$0	\$0
State Refrom Perm Fund (09)	\$8,441	\$0	\$0	\$0
School for Deaf/Blind Perm (09)	\$731	\$0	\$0	\$0
TOTAL Revenues	\$1,083,071	\$7,875	\$7,711	\$7,560
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$632,001)	\$798	\$784	\$770
Other Trusts (02)	\$565	\$519	\$508	\$498
University Trusts (71)	\$474,624	\$6,516	\$6,378	\$6,251
Com Sch Guarantee (02)	\$0	\$0	\$0	\$0
Public Buildings Trust (05)	\$25,848	\$0	\$0	\$0
Com Sch Perm Fund (09)	\$14,847	\$42	\$41	\$41
Morrill Perm Fund (09)	\$115,123	\$0	\$0	\$0
State Refrom Perm Fund (09)	\$8,441	\$0	\$0	\$0
School for Deaf/Blind Perm (09)	\$731	\$0	\$0	\$0

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date